

COMMON COUNCIL



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I, Kari J. Van Diest, Deputy Clerk of the Common Council, hereby certify on this 11th day of March, 2014, that the following Ordinance is a true and exact copy of one and the same adopted by the Common Council of the City of Winchester, assembled in special session on the 25th day of February 2014.

CHAPTER 8 ENTERPRISE ZONE

- ~~Art. 1. General Provisions, §§8-1 – 8-15~~
- ~~Art. II. Tax Rebates, §§8-26 – 8-25~~
- ~~Art. III. Exemption from Land Development Fees, §§8-26 – 8-40~~
- ~~Art. IV. Substantially Rehabilitated Property, §§8-41 – 8-44~~

- Art. I. General Provisions, §§8-1 – 8-25
- Art. II. Exemption from Land Development Fees, §§8-26 – 8-40
- Art. III. Substantially Rehabilitated Property, §§8-41 – 8-47

ARTICLE 1 – GENERAL PROVISIONS

SECTION 8-1. PURPOSE.

The purpose of this chapter is to establish an enterprise zone as authorized and guided by the Code of Virginia, § 59.1-251 *et seq.*, to improve the economic conditions of the downtown and other areas of Winchester. (Ord. No. 033-95, 9-12-95)

SECTION 8-2. APPLICABILITY.

The provisions of this chapter shall apply only to the area described herein and designated by the Commonwealth of Virginia as an enterprise zone. If for any reason the Commonwealth of Virginia ceases to recognize the area as an enterprise zone, the provisions of this chapter shall be void. (Ord. No. 033-95, 9-12-95)

SECTION 8-3. ADMINISTRATION.

The Local Zone Administrator of the Winchester Enterprise Zone shall be the city manager or his designee. The Local Zone Administrator shall determine and publish the procedure for obtaining the benefits created by this chapter. (Ord. No. 033-95, 9-12-95)

SECTION 8-4. DEFINITIONS.

When used in this chapter, the definitions found in Code of Virginia §59.1-271, *et seq.*, as amended from time to time, shall control and are incorporated herein by reference. (Ord. No. 033-95, 9-12-95)

Editor's note—Ord. No. 033-95 adopted on September 12, 1995 enacted this chapter.

ENTERPRISE ZONE

SECTION 8-5. BOUNDARIES

~~The enterprise zone shall be that area located within the following boundary lines:~~

~~Commencing at the Northeast Corner of the intersection of Cecil Street and Braddock Street;~~

~~thence east along the North line of Cecil Street to Cameron Street;~~

~~thence north along the West line of Cameron Street to the North side of Clifford Street;~~

~~thence east along the North line of Clifford Street to Kent Street;~~

~~thence north along the West line of Kent Street to the north side of Cork Street;~~

~~thence east along the North side of Cork Street to the West side of East Lane;~~

~~thence north along the West side of East Lane to the Southwest corner of the intersection of East Lane and Fairfax Lane;~~

~~thence West along the south side of Fairfax Lane to the intersection with West Lane;~~

~~thence North along the west side of West Lane to the South side of Elk St.;~~

~~thence West along the South side of Elk St. to the intersection of Elk Street and Chase Street;~~

~~thence North along the west side of Chase Street to the South side of Kern Street; thence~~

~~West along the south side of Kern Street to the West side of Kent Street; thence North~~

~~along the West side of Kent Street to the south side of the public way crossing the CSXT railroad tracks;~~

~~thence West along the south side of the public way crossing the CSXT railroad tracks to the east side of Cameron Street;~~

~~thence South along the east side of Cameron Street to the South side of North Avenue;~~

~~thence West along the south side of North Avenue to the east side of Loudoun Street;~~

~~thence south along the east side of Loudoun Street to the South side of Fairfax Lane;~~

~~thence west along the south side of Fairfax Lane to the east side of Washington Street;
thence south along the east side of Washington Street to the North side of Cork Street;
thence east along the north side of Cork Street to the East side of Braddock Street;
thence south along the east side of Braddock Street to the point of beginning as
shown on the map which is adopted as a part of this ordinance. (Ord. No. 033 95, 9 12
95)~~

The boundaries of the Winchester Enterprise Zone (“the Zone”) are those established pursuant to Code of Virginia, §59.1-543 et seq. (the “Enterprise Zone Grant Program Act” or, “the Act”, as referred to herein this Chapter), and the designation as an enterprise zone of such area(s) as approved by the Governor of the Commonwealth of Virginia and described in those official Winchester Enterprise Zone real estate parcel maps, which shall be retained by the Local Zone Administrator, and as may be amended from time to time (the “designation”).

SECTIONS 8-6 – 8-1415. RESERVED.

SECTION 8-15. LOCAL ENTERPRISE ZONE INCENTIVES

Pursuant to the Act and the designation; and pursuant to the requirement of the Act that local incentives be offered to qualifying recipients located within an enterprise zone as pledged by enterprise zone applicant and approved by the Governor of the Commonwealth of Virginia and described in the application made by the City of Winchester for the designation of the Zone, and as may be amended from time to time, such local incentives as are delineated in this section are hereby authorized.

The Local Zone Administrator is authorized to administer and deliver, and the City of Winchester is authorized to fund, as required, the following local enterprise zone incentives as further authorized subsequently in this Chapter: Exemption from Land Development Fees for commercial, industrial or residential properties. The Local Zone Administrator and the Winchester Economic Development Authority are authorized to administer and deliver, and the City of Winchester and the Winchester Economic Development Authority are authorized to fund, as required, the following local enterprise zone incentives; Business Growth Revolving Loan Fund, Commercial Façade Program, Real Estate Development Revolving Load Fund, and Winchester Economic Zone Micro-loan Program. The Local Zone Administrator and the Winchester Economic Development Authority are authorized to administer and deliver, and the City of Winchester is authorized to enter into a funding agreement with the Winchester Economic Development Authority in order to fund the following enterprise zone incentives: Business Development Grant for Vacant Properties, Entrepreneurship Incentive, Knowledge-based Jobs Grant, Major Economic Development Project Incentive, Major Mixed –use Development Incentive, New or Expanding Technology-driven Business grant, and Retail Mix Enhancement Grant. The Commissioner of the Revenue is authorized to administer the Substantially Rehabilitated Enterprise Zone Property Real Estate Tax Exemption for commercial, industrial or residential properties as described in Chapter 27 Division 4A of Code of the City of Winchester.

SECTION 8-16 – 8-18 . REPEALED.

SECTION 8-19 – 8-25. RESERVED
ENTERPRISE ZONE

ARTICLE II. TAX REBATES

SECTION 8-16. TAXES ELIGIBLE FOR REBATE.

Qualified business firms shall receive a rebate of a percentage of the following local taxes:

- a. ~~The meals tax imposed by Winchester City Code §27-70 et seq.~~
- b. ~~The motel tax imposed by Winchester City Code §27-90 et seq.~~
- c. ~~The machinery and tools tax imposed by Winchester City Code §27-50.~~
- d. ~~The utility tax on local telephone usage imposed by Article V of Chapter 27 of the Winchester City Code.~~
- e. ~~The business, professional and occupational license taxes imposed by Chapter 28 of the Winchester City Code. (Ord. No. 033-95, 9-12-95)~~

SECTION 8-17. AMOUNT OF REBATE.

~~The amount of each type of tax rebate under §8-16 shall be a percentage of that tax paid by the firm each year. The percentage rebated each year shall be determined by the following schedule:~~

~~Year 1.....100%
Year 2.....80%
Year 3.....60%
Year 4.....40%
Year 5.....20%~~

~~Year 1 is the calendar year following the year in which the firm becomes a qualified business firm. Qualified business firms shall receive the tax rebates established by this article for five years. If a business ceases to be a qualified business firm during a year in which the rebates apply, any rebates shall be prorated for the months the business was a qualified business firm. (Ord. No. 033-95, 9-12-95)~~

SECTION 8-18. PROCEDURE FOR REBATE.

~~Qualified business firms shall pay the taxes listed in this article in the manner prescribed by the Winchester City Code. Business firms shall apply to the Local Zone Administrator for certification as a qualified business firm. Upon certification and proof that no taxes are currently due, the qualified business firm shall be entitled to the rebates created by this article. The schedule for rebating the taxes shall be regulated by the Local Zone Administrator. Failure of~~

the firm to pay in full by the due date any of the taxes listed in this article, shall result in forfeiture of the rebate of that tax for that year. (Ord. No. 033 95, 9-12-95)

~~SECTIONS 8-19 — 8-25. RESERVED.~~

ARTICLE ~~III.~~ II. EXEMPTION FROM LAND DEVELOPMENT FEES

SECTION 8-26. ~~QUALIFIED ZONE RESIDENTS~~ PERMIT AND FEE EXEMPTIONS

For purposes of this article, the term “qualified zone reside” shall have the meaning provided in the Code of Virginia §59.1-280.1(D), as amended from time to time. The term shall also include a person who has entered into a contract to purchase or lease land within the enterprise zone, who will become a “qualified zone resident” except that such person does not yet hold title to the land at the time the fee is incurred. (Ord. No. 033 95, 9-12-95)

~~(a)~~ Commercial, Industrial and Mixed-Use Property.

- (a) Pursuant to the Act and the designation, an exemption from certain building permit, zoning and subdivision fees is hereby authorized for the new construction and renovation or rehabilitation of commercial, industrial, or mixed-use real estate which is located within the Zone and which have met the qualification criteria described in this Article. For purposes of this article, the term “mixed-use” shall mean any building developed as a mixed-use building, as defined in the Code of Virginia, § 59.1-548(A) or, if a development qualifying for a Major Mixed-use Development Incentive and consisting of more than a single building, structure(s) developed on a tract of land for two or more different uses, such as, but not limited to, residential, office, retail, institutional, public or entertainment and including the on-site infrastructure necessary to support such uses. The said exemption shall be in the form of a refund of such fees as are described in this Article, except that no fee or portion of any fee which is remanded to the Commonwealth of Virginia or to any entity other than the City of Winchester shall be refunded.

~~(b)~~ Residential Property

- (b) Pursuant to the Act and the designation, an exemption from certain building permit, zoning and subdivision fees is hereby authorized for the new construction and renovation or rehabilitation of residential real estate which is located within those portions of the N. Loudoun Street District located in the Zone and which have met the qualification criteria described below. The boundaries of the N. Loudoun Street District are described in those official real estate parcel maps, which shall be retained by the Local Zone Administrator, and as may be amended from time to time.

SECTION 8-27. ~~BUILDING CODE FEES.~~ QUALIFIED RECIPIENTS

Qualified zone residents shall be exempt from the application fee imposed by Winchester City Code §6-26 and the building permit fees imposed by Winchester City Code §6-27. (Ord. No. 033-95, 9-12-95)

(a) **SUBSTANTIALLY REHABILITATED REAL ESTATE.**
COMMERCIAL/INDUSTRIAL PROPERTY REAL ESTATE TAX EXEMPTION

Qualified recipients shall be those owners of residential, commercial, industrial or mixed-use property who complete a substantial rehabilitation project as defined in Chapter 27 Division 4A of Code of the City of Winchester.

~~Qualified recipients shall be those owners of residential, commercial, industrial, or mixed-use property located within the Zone who complete new construction costing at least five hundred thousand dollars (\$500,000) or who complete a rehabilitation or renovation costing at least sixty percent (60%) of the pre-renovation assessed value of the rehabilitated or renovated improvements.~~

(b) ~~**SUBSTANTIAL REHABILITATED RESIDENTIAL PROPERTY REAL ESTATE**~~
~~**TAX EXEMPTION**~~

~~Qualified recipients shall be those owners of residential property located within the N. Loudoun Street district inside the Zone who complete a substantial rehabilitation that increases their assessed value of the residential structure by at least 40% without increasing total square footage by more than 15%. If the total square footage of the improved structure exceeds that of the original structure by more than fifteen percent (15%), the excess square footage above said additional fifteen percent (15%) shall not be entitled to the real estate tax exemption authorized by this article.~~

(b) **BUSINESS DEVELOPMENT GRANT FOR VACANT PROPERTIES.**

Qualifying recipients shall also include eligible businesses that conduct a substantial rehabilitation of a property within the Zone equal to or more than 75% of the assessed value of the property. The property must be at least 5,000 sf, have been consecutively vacant for the two years prior to the commencement of the renovation and the business must be new to the City, or an expansion location within the City.

Completion shall be evidenced by the Issuance of a final certificate of occupancy or, where no certificate of occupancy is required, by a final building inspection certificate.

(c) **INCENTIVE VALUATION.**

The value of the incentive shall be measured and determined by the property's assessed value immediately before commencement of substantial rehabilitation and the assessed value immediately after completion of substantial rehabilitation, as determined by the City's assessing official.

(d) **EXCLUDED RECIPIENTS.**

Properties that possess or will possess not-for-profit enterprises are excluded from receiving any of the aforementioned incentives. Mixed-use properties that possess a not-for-profit enterprise

must house residential or for profit businesses that amount for sixty percent (60%) or more are qualified recipients.

SECTION 8-28. ~~WATER AND SEWER AVAILABILITY CHARGE.~~ AMOUNT.

~~Qualified zone residents shall be exempt from the availability charge imposed by Winchester City Code §29-7(c) on water and sewer connections. (Ord. No. 033-95, 9-12-95)~~

Fees to be refunded to a qualified recipient shall include and be limited to the building permit fees imposed by Winchester City Code § 6-27, the fees imposed by §23-8-1 *et seq.* of the Zoning Ordinance, and the charge for the submission of a subdivision plat imposed by the Subdivision Ordinance §4-8.

SECTION 8-29. ~~ZONING ORDINANCE FEES.~~ OWNER'S APPLICATION.

~~Qualified zone residents shall be exempt from the fees imposed by §23-8-1 *et seq.* of the Zoning Ordinance. (Ord. No. 033-95, 9-12-95)~~

The owner of property which is qualified to be exempted from those fees described above shall be required to file an application requesting the exemption provided for in this article with the Local Zone Administrator not later than one year after completing the qualifying construction. No property owner may apply for an exemption under this article on the basis of a building permit issued prior to the establishment of the enterprise zone.

SECTION 8-30. ~~SUBDIVISION ORDINANCE FEE.~~ REPEALED.

~~Qualified zone residents shall be exempt from the charge for the submission of a subdivision plat imposed by the Subdivision Ordinance §4-8. (Ord. No. 033-95, 9-12-95)~~

SECTION 8-31. NONWAIVER.

This article shall not be construed to waive the requirement of any application, permit, or approval from the City as mandated by other code sections. Nothing in this article shall be construed as waiving the right of the City of Winchester to collect any fines or penalties imposed by other sections of the Code. (Ord. No. 033-95, 9-12-95)

~~SECTIONS 8-32 — 8-40. RESERVED.~~

~~ARTICLE III. SUBSTANTIALLY REHABILITATED PROPERTY~~

~~SECTION 8-41. RESIDENTIAL REAL ESTATE. AUTHORIZED; AMOUNT; DURATION~~

~~Any residential real estate within an Enterprise Zone, upon which there is an existing structure which is no less than fifteen (15) years old, and which has been improved as to increase the assessed value thereof by no less than forty percent (40%), without increasing the total square footage by more than fifteen percent (15%) shall qualify for the real estate tax exemptions granted by Winchester City Code §27-29. (Ord. No. 033-95, 9-12-95)~~

~~(a)~~

~~Pursuant to the Act and the designation, a real estate tax exemption is hereby authorized for commercial or industrial use real estate which is located within the Zone and which has undergone substantial rehabilitation or renovation. The exemption shall be in an amount equal to the increase in the assessed value resulting from the rehabilitation of the real estate, as determined by the Commissioner, and this amount only shall be applicable to any subsequent assessment or reassessment for a period of twelve (12) years commencing on July 1 of the year following the completion of the rehabilitation or renovation.~~

~~(b)~~

~~Pursuant to the Act and the designation, a real estate tax exemption is hereby authorized for residential real estate which is located within those portions of the Winchester Historic District, to include the entire N. Loudoun Street District, located in the Zone and which has undergone substantial rehabilitation or renovation. The boundaries of the Winchester Historic District and N. Loudoun Street District are described in those official real estate parcels maps, which shall be retained by the Local Zone Administrator, and as may be amended from time to time. The exemption shall be in an amount equal to the increase in the assessed value resulting from the rehabilitation of the real estate, as determined by the Commissioner, and this amount only shall be applicable to any subsequent assessment or reassessment for a period of twelve (12) years commencing on July 1 of the year following the completion of the rehabilitation or renovation.~~

~~(c)~~

~~Property shall be eligible for the exemption referred to in subsections (a) and (b) of this section of the appropriate building permits were acquired by the property owner and the rehabilitation indicated on the application was completed subsequent to the inclusion of the property in the Zone as verified by the Commissioner.~~

~~*State law reference—Authority to provide above exemption, Code of Virginia, §§58.1-3220(A), 58.1-3221(A); amount and duration of exemption and authority of city relating thereto, Code of Virginia, §§58.1-3220(B), 58.1-3221(B).*~~

SECTION 8-42. SUBSTANTIAL REHABILITATION OF COMMERCIAL OR INDUSTRIAL REAL ESTATE.

~~Any commercial or industrial real estate within an Enterprise Zone, upon which there is an existing structure which is no less than fifteen (15) years old, and which has been so improved as to increase the assessed value thereof by no less than sixty percent (60%), without increasing the~~

total square footage by more than fifteen percent (15%) shall qualify for the real estate tax exemptions granted by Winchester City Code §27-29. (Ord. No. 033-95, 9-12-95)
~~For the purpose of this article commercial or industrial real estate shall be deemed to have undergone substantial rehabilitation, renovation or replacement when a structure which is no less than fifteen (15) years of age has been so improved as to increase the assessed value of the structure by no less than 60 percent (60%) without increasing the total square footage of the structure by more than fifteen percent (15%). In the event of complete replacement of such structure, the increase in the total square footage shall be no more than fifteen percent (15%). If the total square footage of such rehabilitated, renovated, or replacement structure exceeds that of the original structure by more than fifteen percent (15%), the excess square footage above said additional fifteen percent (15%) shall not be entitled to the real estate tax exemption authorized by this article. Rehabilitation, renovation, or replacement shall not include rehabilitation, renovation, or replacement occasioned by damage or destruction by fire, natural disaster or other acts of God.~~

~~*State law reference*— Authority for above section, Code of Virginia, §58.1-3221(A).~~

SECTION 8-43. DEFINITIONS. SUBSTANTIAL REHABILITATION OF RESIDENTIAL REAL ESTATE.

The definitions and eligibility requirements of Division D of Article II of Chapter 27 of the Winchester City Code shall apply to this article *mutatis mutandis*. (Ord. No. 033-95, 9-12-95)
~~For the purpose of this article, residential real estate shall be deemed to have undergone substantial rehabilitation, renovation or replacement when a structure which is not less than fifteen (15) years of age has been so improved as to increase the assessed value of the structure by no less than 40 percent without increasing the total square footage of the structure by more than fifteen percent (15%). In the event of complete replacement of such structure, the increase in the total square footage shall be no more than fifteen percent (15%). If the total square footage of such rehabilitated, renovated, or replacement structure exceeds that of the original structure by more than fifteen percent (15%), the excess square footage above said addition fifteen percent (15%) shall not be entitled to the real estate tax exemption authorized by this article. Rehabilitation, renovation, or replacement shall not include rehabilitation, renovation, or replacement occasioned by damage or destruction by fire, natural disaster or other acts of God.~~

~~*State law reference*— Authority for above section, Code of Virginia, §58.1-3220(A).~~

SECTION 8-44. — RESTRICTIONS. OWNER'S APPLICATION.

No property owner may apply for an exemption under this article on the basis of a building permit issued prior to the establishment of the enterprise zone. (Ord. No. 033-95, 9-12-95)

~~*State law reference*— Authority for above fee, Code of Virginia, §§58.1-3220(D), 58.1-3221(D).~~

DIVISION 4. SUBSTANTIALLY REHABILITATED HISTORIC PROPERTY

SECTION 27-28. HISTORIC REHABILITATION DEFINITIONS.

For the purpose of this division, the following words and phrases shall have the meanings, respectively ascribed to them:

- (a) SUBSTANTIALLY REHABILITATED HISTORIC RESIDENTIAL REAL ESTATE, shall mean any residential real estate within the Historic Winchester District (HW), as defined by Article 14 of the Zoning Ordinance of the City of Winchester, 1976, as amended, upon which there is an existing structure which is no less than twenty-five (25) years old, and which has been so improved as to increase the assessed value thereof by no less than forty percent (40%), without increasing the total square footage by more than fifteen percent (15%).
- (b) SUBSTANTIALLY REHABILITATED HISTORIC COMMERCIAL, ~~OR~~ INDUSTRIAL OR MIXED-USE REAL ESTATE, shall mean any commercial, ~~or~~ industrial or mixed-use real estate within the Historic Winchester District (HW), as defined by Article 14 of the Zoning Ordinance of the City of Winchester, 1976, as amended, upon which there is an existing structure which is no less than twenty-five (25) years old, and which has been so improved as to increase the assessed value thereof by no less than sixty percent (60%), without increasing the total square footage by more than fifteen percent (15%).
- (c) AMOUNT OF EXEMPTION, shall mean an amount equal to the increase in assessed value resulting from the rehabilitation of the structure as determined by the assessing officer, and this amount only shall be applicable to assessment commencing on the first day of January of the year following the rehabilitation. An increase in assessment occurring after the first year of such rehabilitation exemption shall not result in an increase in such exemption.
- (d) TAXABLE YEAR, shall mean the calendar year from January first through December thirty-first for which such real property tax is imposed or exemption claimed. (Ord. No. 044-88, 11-15-88; Ord. No. 017-92, 11-10-92)

Section 27-~~29~~28.1. HISTORIC REHABILITATION EXEMPTIONS DECLARED.

The purpose of this division shall be to provide real estate tax exemptions for substantially rehabilitated residential, commercial, ~~or~~ industrial or mixed-use real estate for a period of ten (10) years, commencing on January first of the year following completion of such rehabilitation. (Ord. No. 044-88, 11-15-88; Ord. No. 017-92, 11-10-92; Ord. No. 2011-28, 8-9-11)

State Law Reference –Code of Virginia, §§58.1-3220, *et seq.*

SECTION 27-3028.2. HISTORIC REHABILITATION EXEMPTION
ELIGIBILITY REQUIREMENTS.

Exemptions pursuant to this division shall not become effective unless the persons owning such property have:

- (a) Prior to commencement of a plan to rehabilitate the property, obtained the required building permit and applied for the herein prescribed exemption on a form approved by the Commissioner of the Revenue. Application for exemption must be filed before the work designated by the building permit is begun.
- (b) Paid to the Treasurer an application processing fee in the amount of twenty dollars (\$20.00). No application for the exemption approved by this article shall be deemed to have been filed until the fee herein imposed has been paid.
- (c) Prior to commencement of a plan to rehabilitate the property, contacted the ~~real estate assessor~~ Commissioner of the Revenue to make an assessment of the property in its current condition.
- (d) After rehabilitation of the building, contacted the ~~real estate assessor~~ Commissioner of the Revenue to assess the fair market value of the renovation improvements, and reflect such value in the real estate tax assessment records.
- (e) ~~Submitted the application for exemption~~ Obtained the final assessment prior to January first of the taxable year for which such exemption is claimed. (Ord. No. 044-88, 11-15-88; Ord. No. 017-92, 11-10-92; Ord. No. 211-28, 8-9-11)

DIVISION 4A. SUBSTANTIALLY REHABILITATED ENTERPRISE ZONE
PROPERTY

SECTION 27-29. ENTERPRISE ZONE REHABILITATION DEFINITIONS.

For the purpose of this division, the following words and phrases shall have the meanings, respectively ascribed to them:

- (a) SUBSTANTIALLY REHABILITATED ENTERPRISE ZONE RESIDENTIAL REAL ESTATE, shall mean any residential real estate within the North Loudoun Street District of the Enterprise Zone, but outside the boundaries of the Winchester Historic District, upon which there is an existing structure which is no less than fifteen (15) years old, and which has been so improved as to increase the assessed value thereof by no less than forty percent (40%), without increasing the total square footage by more than fifteen percent (15%). For the purposes of this article qualifying residential real estate shall be deemed to have undergone substantial rehabilitation, renovation or replacement when a structure which is no less than fifteen (15) years of age has been so improved as to increase the assessed value of the structure by no less than 60 percent (60%) without

increasing the total square footage of the structure by more than fifteen percent (15%). In the event of complete replacement of such structure, the increase in the total square footage shall be no more than ~~fifteen~~ **one hundred fifty** percent (~~15~~**150**%). If the total square footage of such rehabilitated, renovated, or replacement structure exceeds that of the original structure by more than fifteen percent (15%), the excess square footage above said additional fifteen percent (15%) shall not be entitled to the real estate tax exemption authorized by this article. Rehabilitation, renovation, or replacement shall not include rehabilitation, renovation, or replacement occasioned by damage or destruction by fire, natural disaster or other acts of God.

- (b) SUBSTANTIALLY REHABILITATED ENTERPRISE ZONE COMMERCIAL, INDUSTRIAL OR MIXED-USE REAL ESTATE, shall mean any commercial or industrial or mixed-use real estate within the Enterprise Zone, upon which there is an existing structure which is no less than fifteen (15) years old, and which has been so improved as to increase the assessed value thereof by no less than sixty percent (60%), without increasing the total square footage by more than fifteen percent (15%). Any commercial, industrial or mixed-use property that possesses or will possess not-for-profit enterprises that amount for more than forty percent (40%) of total improvement space is excluded from receiving this exemption. For the purposes of this article qualifying commercial or industrial real estate shall be deemed to have undergone substantial rehabilitation, renovation or replacement when a structure which is no less than fifteen (15) years of age has been so improved as to increase the assessed value of the structure by no less than 60 percent (60%) without increasing the total square footage of the structure by more than ~~fifteen~~ **one hundred fifty** percent (~~15~~**150**%). In the event of complete replacement of such structure, the increase in the total square footage shall be no more than fifteen percent (15%). If the total square footage of such rehabilitated, renovated, or replacement structure exceeds that of the original structure by more than fifteen percent (15%), the excess square footage above said additional fifteen percent (15%) shall not be entitled to the real estate tax exemption authorized by this article. Rehabilitation, renovation, or replacement shall not include rehabilitation, renovation, or replacement occasioned by damage or destruction by fire, natural disaster or other acts of God.
- (c) AMOUNT OF EXEMPTION, shall mean an amount equal to the increase in assessed value resulting from the rehabilitation of the structure as determined by the assessing officer, and this amount only shall be applicable to assessment commencing on the first day of January of the year following the rehabilitation. An increase in assessment occurring after the fire year of such rehabilitation exemption shall not result in an increase in such exemption.
- (d) TAXABLE YEAR, shall mean the calendar year from January first through December thirty-first for which such real property tax is imposed or exemption claimed.

SECTION 27-29.1 ENTERPRISE ZONE EXEMPTIONS DECLARED.

The purpose of this division shall be to provide real estate tax exemptions for substantially rehabilitated residential, commercial, industrial or mixed-use real estate for a period of twelve (12) years, commencing on January first of the year following completion of such rehabilitation.

State Law Reference – Code of Virginia, §§58.1-3220, et seq.

**SECTION 27-29.2. ENTERPRISE ZONE REHABILITATION EXEMPTION
ELIGIBILITY REQUIREMENTS.**

Exemptions pursuant to this division shall not become effective unless the persons owning such property have:

- (a) Prior to commencement of a plan to rehabilitate the property, obtained the required building permit and applied for the herein prescribed exemption on a form approved by the Commissioner of the Revenue. Application for exemption must be filed before the work designated by the building permit is begun.
- (b) Paid to the Treasurer an application processing fee in the amount of twenty dollars (\$20.00). No application for the exemption approved by this article shall be deemed to have been filed until the fee herein imposed has been paid.
- (c) Prior to commencement of a plan to rehabilitate the property, contacted the Commissioner of the Revenue to make an assessment of the property in its current condition.
- (d) After rehabilitation of the building, contacted the Commissioner of the Revenue to assess the fair market value of the renovation improvements, and reflect such value in the real estate tax assessment records.
- (e) Obtained the final assessment prior to January first of the taxable year for which such exemption is claimed.

SECTION 27-30. RESERVED.

Ordinance No. 2014-03

ADOPTED by the Common Council of the City of Winchester on the 25th of February, 2014.

Witness my hand and the seal of the City of Winchester, Virginia.

*Kari J. Van Diest, CMC
Deputy Clerk of the Common Council*